

**MINUTES OF THE  
ECONOMIC DEVELOPMENT AND REVENUE  
APPROPRIATIONS SUBCOMMITTEE**

Room 215 Senate Office Building, State Capitol Complex

February 11, 2009

**Members Present:** Sen. Ralph Okerlund, Co-Chairman  
Rep. Sheryl Allen, Co-Chairman  
Sen. Gene Davis  
Rep. Jackie Biskupski  
Rep. Julie Fisher  
Rep. Chris Herrod  
Rep. Christine Johnson  
Rep. Todd Kiser

**Members Excused:** Sen. Sheldon Killpack

**Staff Present:** Dr. Andrea Wilko, Chief Economist  
Dr. Thomas Young, Economist  
Jennifer Eyring, Committee Secretary

**Note:** A list of visitors and a copy of handouts are filed with the committee minutes.

Sen. Okerlund called the meeting to order at 2:17 p.m.

**USTAR**

Ted McAleer, Executive Director, USTAR, introduced Dave Pershing, Sr. Vice President, University of Utah, and Ned Weinshenker, Vice President, Utah State University. A brief overview of USTAR was presented, including why the program was started, the impact on the state, and the effect of budget cuts for FY2009 and FY2010. It was stated that 5% of faculty bring in 50% of Federal research funding and those are the types of people USTAR wants to recruit. Mr. McAleer illustrated the program's progress with research projects being done by recruited faculty and the teams they brought with them to the state.

Ned Weinshenker discussed how teams are recruited and projects taken to commercialization. One USU research project, 3-D Texel Technology, was explained along with some of its commercial applications. Alternative energy research and development was also highlighted. He expressed concern that the significant proposed cuts to USTAR's budget would severely hamper these projects.

**MOTION:** Rep. Allen moved to approve the minutes of the February 5, 2009 meeting. The motion passed unanimously with Sen. Killpack, Rep. Herrod and Rep. Johnson absent for the vote.

Dave Pershing discussed the USTAR funding as it relates to people already hired, those who have offers pending, those in the recruitment process, and the effect of budget reductions on recruitment and retention. He stated that with the additional proposed cuts, he would have to withdraw offers that have been given, and he expressed concern about the ability to continue to pay those already here. Companies that have started up through this process were noted. He feels that the program will not survive with an additional 30% cut.

In response to committee questions, the presenters discussed retaining startup companies in Utah and USTAR funds that are committed but not yet disbursed. The committee expressed a desire to be more informed about what projects are being considered for funding. The presenters elaborated on the recruitment and retention process and their concerns for the reputation of Utah's program. Mr. McAleer stated that the most critical element is research team funding and that the key element of commercialization is his business team. Further discussion was held on faculty contracts and state commitments to those who have been recruited. Intent language has been submitted to the analyst.

Sen. Okerlund expressed appreciation for the work that USTAR has been doing.

### **Department of Community and Culture**

Palmer DePaulis, Executive Director, Department of Community and Culture, provided a chart showing the digitization project timeline. Non-lapsing authority was requested for the digitization project, an IT project, and for the Office of Indian Affairs. A brochure for "We Shall Remain" was distributed to the committee. It was noted that Larry EchoHawk may be tapped as the head of the national Bureau of Indian Affairs.

### **Center for Education, Business and the Arts (CEBA)**

Kim Lawson, Mayor of Kanab City, and Kelly Stowell, Executive Director, CEBA, provided the committee a handout entitled "Building a Better Community". The handout gives economic and population information and CEBA's strategy for addressing the needs of the area. CEBA was designed as an economic development model for rural development. Key elements were identified as those having the greatest potential for economic development. CEBA is an organization designed to enhance economic growth, business enterprise, and cultural opportunities and covers five counties in two states. It was requested that as money becomes available in the future, the committee consider giving their support.

### **Reach Out and Read**

Rep. Johnson, Reach Out and Read Board, gave an update and report on the appropriation received last year. "Reach Out and Read Utah FY2009 State Funding Report" was provided to the committee. The program was able to expand to 11 new sites, with an emphasis in rural locations. Rep. Johnson expressed thanks to the committee for support in the past and

encouraged members to keep this program in mind for the future.

### **Richfield City Business Expansion**

Larry Lunnen, Richfield City Council, introduced Woody Farnsworth, Richfield City Manager, Dan Chidester, Richfield City Council and Kimball Poulson, Consultant. In an effort to retain jobs, bring in new jobs, and provide economic development to this rural area, the Richfield Business Park was established. Land has been purchased and some plots have been sold or leased to businesses. A request was made for a \$2 million grant.

Kimball Poulson discussed the need for economic development in the area. A plat of the business park was explained to the committee. Roads and utilities are needed for the businesses to start.

Sen. Okerlund commented on the project and called it true economic development that is needed in this rural area.

### **The Leonardo**

Peter Giles, Executive Director, The Leonardo, thanked the committee for previous funding that helped demonstrate the viability of The Leonardo through hosting the Body Worlds exhibit. A request was made for \$1.5 million one-time funding to be added to the Salt Lake City Council funding of \$12 million, and other private donations.

### **Thanksgiving Point**

Mike Washburn, President and CEO, Thanksgiving Point, thanked the committee for funding received last year and gave an update on Thanksgiving Point's growth and expansion. Of last year's visitors, 50,000 were school children, with an effort to provide opportunity for under served children. The focus is on science, technology, engineering and math. The Museum of Natural Curiosity will be a children's science museum. A request was made for \$1.4 million one-time funding. Economic and educational benefits were discussed. Questions from the committee concerning funding and growth in the area were addressed. A handout outlining the project was distributed to the committee.

### **Utah Humanities Council**

Cynthia Buckingham, Executive Director, Utah Humanities Council, gave an overview of the work done by the Council in supporting cultural education programs throughout the state. The Council partners with many state agencies. A request was made to reduce the FY2010 cuts from 20% to 15%, and to consider funding the Council should more funds become available. A informational packet was provided to the committee. Questions from the committee were addressed.

Sen. Davis noted that he had provided committee members a handout for the Utah Council for Citizen Diplomacy (UCCD). They have requested \$25,000. He asked the committee to consider the information provided.

Dr. Andrea Wilko outlined the voting the Committee will be doing at the next meeting. The Committee will adopt a base budget, Federal funds, fees, Restricted Revenue increases, and potential reallocations within the base budget. The Committee will also adopt a prioritized list of funding reduction. The Budget Reduction Recommendations handout was explained. It was recommended that Committee members express any concerns to the Chairs before they report to the Executive Appropriations Committee.

Rep. Allen asked the Committee to have a prioritized list of those who requested funding in today's meeting, along with any other areas previously cut. It was acknowledged that these are difficult choices, and requested that the Committee members speak with them about their preferences before the next meeting.

Sen. Okerlund discussed prioritizing possible one-time funding in light of the unknown revenue situation.

MOTION: Sen. Davis moved to adjourn. The motion passed unanimously.

Sen. Okerlund adjourned the meeting at 4:12 p.m.

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Sen. Ralph Okerlund, Co-Chair

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Rep. Sheryl L. Allen, Co-Chair